

## **Contract Policy**

### **The University of the South**

This policy applies to all university employees, students, and student organizations who seek to enter into any type of agreement that obligates the university to provide payment, services, goods, or use of university property or facilities to a third party. Contractual agreements governed by this policy include, but are not limited to, consulting services, software licenses, design/engineering/construction contracts, employment agreements, equipment leases, and any other arrangement that obligates university funds to pay for services such as speakers, bands, research projects, etc.

#### **Authority to Sign Contracts**

In accordance with Ordinance 4, section 5, the Vice-Chancellor has the authority to execute all legal documents such as contracts and may delegate his authority to others. Thus, no individual has the authority to approve or sign contracts on behalf of the university unless they have a valid delegation of authority from the Vice-Chancellor.

The Vice-Chancellor has delegated authority to sign contracts to the Provost and has authorized the Provost to further delegate authority to sign contracts. The Provost must sign all contracts exceeding \$100,000, and has delegated to the Vice President for Finance and Treasurer and the Vice President for Facilities Planning and Operations the authority to sign contracts within their respective areas that do not require the University to expend more than \$100,000. The Dean of the College has been delegated authority to sign contracts in his division that do not require the University to expend more than \$40,000. The Provost has also delegated authority to the Dean of the School of Theology to sign contracts in his division that do not require the University to expend more than \$25,000, and to the Dean of Students, the Dean of Admission and Financial Aid, and the Vice President for University Relations to sign contracts in their respective areas that do not require the University to expend more than \$10,000 and are for one year or less. Any contract that does not fall within these delegations must be signed by the Provost.

#### **Conflicts of Interest**

University officials with contract authority must exercise that authority in a manner consistent with the university's policy on Conflicts of Interest.

#### **Importance of Written Contracts and Advance Review**

##### **A. Written Contracts**

All contracts with third parties involving university resources should be in writing, regardless of prior practice or prior business relationships with the person or entity.

##### **B. Advance Review by Relevant Department(s)**

All contracts should be reviewed and approved in advance by other departments that will need to provide technical support, facilities, or personnel to carry out the contract. For example, a software contract should be reviewed by ITS to determine whether the university can support the software.

### **C. Advance Review by the Office of General Counsel**

All contracts requiring the University to expend more than \$5,000; all contracts that obligate the university to defend, indemnify or hold harmless the other party; all contracts that seek to limit the amount or types of liability of the other party; all contracts for a term of three or more years; and all contracts involving unique risks and liability to the University must be reviewed and approved by the Office of General Counsel before submission to the authorized official for signature.

#### **Recordkeeping**

The University official executing the contract is responsible for keeping the original of the executed contract, including all attachments, for at least ten years. The Treasurer's office may request a copy of a contract in order to process payment.

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